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DAILY BASE METALS REPORT

Risk Appetite Improves, but Macro Caution Keeps Commodities Rangebound

Summary

- **Tech-sector resilience will remain a key driver of US equity sentiment, but sustainability questions are likely to re-emerge as 2026 guidance becomes clearer.**
- **Base metals were cautious this morning, supported by China's support for the property sector.**
- **Precious metals may face renewed pressure if tomorrow's PMIs reinforce dollar strength.**

Macro

US equities opened higher on Thursday, recovering most of their recent losses after Nvidia delivered stronger-than-expected results on Wednesday. Nvidia delivered its first pickup in quarterly revenue growth in nearly two years, providing a boost to a tech sector that had been unsettled by recent talk of an overheating AI trade. While these worries will likely quieten in the coming weeks, we expect them to resurface, as the pace of ascent remains heavily investment-driven and underlying infrastructure capacity continues to lag rapid demand growth.

The September US labour data showed solid hiring momentum, with Nonfarm Payrolls rising by 119,000 - the strongest reading in five months. An accompanying rise in the unemployment rate to 4.4% tempered the market reaction, contributing to a brief dip in the dollar before it quickly regained ground and held above the 100.2 level. The 10-year Treasury yield continued to trade within its recent range, with firm support around 4.1% and resistance near 4.15%. With a December Fed cut now fully priced out, the market's focus will shift towards early-2026 policy expectations and how incoming data shape the trajectory of the labour market and services inflation. Tomorrow's preliminary S&P November PMI releases are likely to be a key driver of near-term market moves.

Base Metals

Base metals opened strongly this morning, buoyed by mean-reversion strategies and encouraging news from China. The government is reportedly considering measures to support the property sector, such as mortgage subsidies and tax rebates. Zinc and aluminium, both widely used in construction, were the biggest beneficiaries, strengthening to \$3,014/t and \$2,816/t, respectively.

However, markets remain sceptical that these measures will lead to any meaningful improvement in demand, particularly in the short term, and optimism faded quickly. As a result, copper was less responsive to these developments. Copper prices continue to trade in a narrow range, with market hesitancy limiting price action,

hovering just below \$10,800/t, at \$10,735/t.

Precious Metals and Oil

Precious metals traded steadily, with gold around \$4,080/oz and silver near \$51.0/oz. Stable yields and improved equity sentiment are keeping the complex contained for now, though directional conviction remains limited until clearer signals emerge from the data.

Oil prices edged higher, with WTI back above \$60.0/bbl and Brent around \$64.0/bbl, supported by a sharper-than-expected draw in US crude stocks and improved risk appetite in equity markets. However, upside momentum is constrained by a firmer dollar and signs of softening demand, reflected in rising refined-product inventories. Concerns around potential oversupply, especially given the evolving impact of Russia-related sanctions, remain in view and continue to offer an additional layer of support.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2815	2830	2801	2814.0	2815	19983	699128	-31.16	127.53
Copper	10813	10827	10714	10738.5	10803	17582	317237	-18.50	486.14
Lead	2020	2022	2008	2010.5	2015	5782	159620	-27.39	91.15
Nickel	14625	14670	14410	14501.0	14640	9174	253964	-191.27	656.35
Tin	37040	37240	36765	37068.0	36945	426	22225	95.00	1679.44
Zinc	2996	3037	2979	2981.0	2990	11495	220789	122.00	136.49
Total:						64442	1672963		

Official Prices				Monthly Avg			
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	
Aluminium	2778.5	2811	2852	2871	2768.12	2801	2834.071429 2855.107143
Copper	10789	10803	10674.51	10589.51	10719.37	10752.5	10767.35714 10790.5
Lead	1993	2020	2081.3	2151.3	1987.61	2015	2021.107143 2046.107143
Nickel	14370	14540	15045.62	15645.62	14452.34	14650	14752.85714 14947.85714
Tin	37400	37200	36914		37053	36953	36610.35714 36569.28571
Zinc	3140	3014	2954	2867	3133.14	2981	3195.321429 3049.392857

LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	546075	0	2000	-2000	544075	59275	484800	Comex, USc/lb	
Copper	157875	300	250	50	157925	9475	148450	'DEC 25	501.85 0.89
Lead	264475	1675	1500	175	264650	85725	178925	'MAR 26	509.7 0.92
Nickel	255846	24	1698	-1674	254172	9696	244476	Shanghai, CNY/mt	
Tin	3115	0	50	-50	3065	70	2995	01-Nov	0 0.00
Zinc	45075	1050	50	1000	46075	3600	42475	01-Dec	86320 0.42

Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		Last	% Change		AM	PM
DAX	23279	0.50	GBP	1.3077	0.1378	Gold	4049.52	-0.6979	4110.65	4126.95
DJI	46061	-0.17	JPY	157.4700	-0.1969	Silver	50.36	-1.9548		5220
S&P500	6662	0.31	EUR	1.1534	-0.0347	Gold Comex	4048.5	-0.840		
SSE	3931	-0.40	CNY	7.1137	0.0042	Platinum	1518.82	-1.847		
Hq Senq	25836	0.02	AUD	0.6449	-0.4477	Palladium	1384.84	-0.4314		
Brent	63	-0.35	CAD	1.4092	-0.2980					

Source: Bloomberg
Updated: 20/11/2025 17:30

All price data is from 20.11.2025 as of 17:30

Risk warning

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